

# Sit Balanced

## DESCRIPTION

- We seek to provide long-term capital appreciation, preservation of principal and provide regular income by investing in a diversified portfolio of stocks and bonds.
- To achieve long-term capital appreciation, the strategy invests in high-quality growth companies that have the potential to increase earnings at a faster rate than the representative economy and market index purchased at reasonable valuation levels.
- To achieve the objectives of preservation of principal and providing regular income, the strategy invests in investment grade mortgage-backed securities, U.S. Treasuries, asset-backed securities, corporate debt and taxable municipal securities.

## COMPOSITE PERFORMANCE (%)

	Annualized Returns				
	3 Month	1 Year	3 Year	5 Year	10 Year
<b>Sit Balanced (Gross)</b>	<b>1.93</b>	<b>37.80</b>	<b>13.93</b>	<b>13.04</b>	<b>10.85</b>
<b>Sit Balanced (Net)</b>	<b>1.68</b>	<b>36.54</b>	<b>12.83</b>	<b>11.95</b>	<b>9.77</b>
S&P 500® Index	6.18	56.35	16.78	16.29	13.91
Bloomberg Barclays U.S. Aggregate Bond Index	-3.37	0.71	4.65	3.10	3.44

## TOTAL RETURN BY CALENDAR YEAR (%)

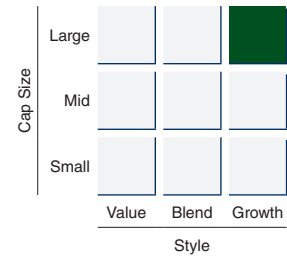
	2013	2014	2015	2016	2017	2018	2019	2020	YTD 2021
<b>Sit Balanced (Gross)</b>	<b>19.43</b>	<b>10.25</b>	<b>3.15</b>	<b>5.74</b>	<b>18.95</b>	<b>-1.64</b>	<b>21.85</b>	<b>21.63</b>	<b>1.93</b>
<b>Sit Balanced (Net)</b>	<b>18.29</b>	<b>9.18</b>	<b>2.13</b>	<b>4.70</b>	<b>17.81</b>	<b>-2.62</b>	<b>20.69</b>	<b>20.47</b>	<b>1.68</b>
S&P 500® Index	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	6.18
Bloomberg Barclays U.S. Aggregate Bond Index	-2.02	5.97	0.55	2.65	3.54	0.01	8.72	7.51	-3.37

## BALANCE SHEET / PROFITABILITY - MEDIANS (%)

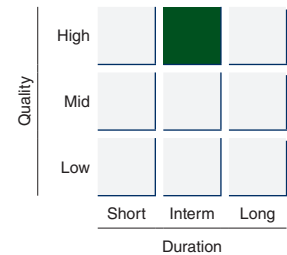
	Return on Invested Capital	Free Cash Flow Margin	Net Debt/Capital
<b>Sit Balanced</b>	<b>12.3</b>	<b>16.3</b>	<b>19.7</b>
S&P 500® Index	10.3	12.6	35.1

Performance figures for the latest period are preliminary and subject to change. Past performance is not indicative of future results. Returns are calculated on a time-weighted total return basis, include the reinvestment of all income, and returns for periods greater than one year are annualized. The information above is supplemental to and complements the attached composite presentation. The account information set forth above is for the representative portfolio and is provided for illustrative purposes only.

## EQUITY INVESTMENT STYLE



## FIXED INCOME INVESTMENT STYLE



## TOP FIVE EQUITY HOLDINGS

Company Name	% of Securities
Apple, Inc.	3.6
Microsoft Corp.	3.0
Alphabet, Inc.	2.8
Amazon.com, Inc.	2.7
UnitedHealth Group, Inc.	2.1

## TOP FIVE FIXED INCOME HOLDINGS

Issue Name	% of Securities
U.S. Treasury Inflation Bond, 2.00%, 2/15/50	3.1
Putnam Premier Income Trust	0.7
Oregon State Fac. Auth., 2.68%, 7/1/31	0.5
GNMA, 5.97%, 2/20/51	0.5
Louisiana State Trans. Auth., 1.45%, 2/15/27	0.5

## PORTFOLIO ALLOCATION (%)

Equities	63.0
Bonds	33.8
Cash & Other Net Assets	3.2

## PORTFOLIO CHARACTERISTICS

Total Assets (Millions):	\$61.4
Number of Holdings:	261
Inception Date:	9/30/81

**Sit Investment Associates, Inc.**  
**Balanced Composite**  
**ANNUAL DISCLOSURE PRESENTATION**

Year End	Total Firm Assets (millions)	Composite Assets (USD) (millions)	Number of Accounts	Composite 3-Yr. Standard Dev.	S&P 500 Index 3-Yr. Standard Dev.	Barclays Aggregate Bond Index 3-Yr. Standard Dev.	S&P 500 Index	Barclays Aggregate Bond Index	Annual Performance Results Composite		Composite Dispersion
									Gross	Net	
2019	13,274.3	35.8	1	7.7%	11.9%	2.9%	31.49%	8.72%	21.85%	20.69%	N/A
2018	12,196.2	32.9	1	6.9%	10.8%	2.8%	-4.38%	0.01%	-1.64%	-2.62%	N/A
2017	13,340.8	27.7	1	6.2%	9.9%	2.8%	21.83%	3.54%	18.95%	17.81%	N/A
2016	12,668.9	24.6	1	6.7%	10.6%	3.0%	11.96%	2.65%	5.74%	4.70%	N/A
2015	13,350.6	23.1	1	7.0%	10.5%	2.9%	1.38%	0.55%	3.15%	2.13%	N/A
2014	13,505.0	16.9	1	6.5%	9.0%	2.6%	13.69%	5.97%	10.25%	9.18%	N/A
2013	13,103.3	15.3	1	7.8%	11.9%	2.7%	32.39%	-2.02%	19.43%	18.29%	N/A
2012	13,081.6	12.4	1	9.3%	15.1%	2.4%	16.00%	4.21%	11.01%	9.93%	N/A
2011	10,895.1	10.7	1	10.3%	18.7%	2.8%	2.11%	7.84%	2.68%	1.67%	N/A
2010	9,873.4	41.2	2	12.4%	21.9%	4.2%	15.06%	6.54%	11.29%	10.21%	0.27%

Sit Investment Associates, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sit Investment Associates, Inc. has been independently verified for the period January 1, 2017 to December 31, 2019 by ACA Performance Services, LLC, for the period January 1, 2007 to December 31, 2016 by Ashland Partners & Company LLP and for the period January 1, 1997 through December 31, 2006 by KPMG LLP.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

The Balanced Composite was created September 30, 1981. Balanced Composite contains fully discretionary balanced accounts and for comparison purposes is measured against the S&P 500 Index and the Bloomberg Barclays Aggregate Bond Index. The composite contains portfolios including equities and fixed income in proportions determined by the client. The equity portfolios follow the Large Cap Growth parameters wherein portfolios generally emphasizing the common stock of companies having a market capitalization of greater than or equal to \$5 billion at the time of purchase. The portfolios in the composite do not use leverage and generally hold between 70 to 90 domestic equity securities. The fixed income portion is generally comparable to the Taxable Total Return strategy wherein portfolios generally emphasizing investing in taxable bonds. Value is achieved primarily through rotation of sector weightings and individual security selection. Gradual shifts in portfolio duration are made within a range of two to five years.

Sit Investment Associates, Inc. is an independent registered investment adviser which includes the following subsidiaries: Sit Investment Fixed Income Advisors, Inc.; and Sit Investment Fixed Income Advisors II, Inc. On December 31, 2007, Sit/Kim International Investment Associates, Inc. and Sit/Kim International Investment Associates II, LLC were liquidated into Sit Investment Associates, Inc. Prior to 2000, Sit Investment Associates, Inc. and Sit/Kim International Investment Associates, Inc. issued separate GIPS reports, including disclosure of each entity's assets under management. Beginning in 2000 the two entities issued a combined GIPS report to reflect the entities' current operational and management affiliation. Total assets for all years presented in the table above reflect the combined total assets of all subsidiaries. The firm maintains a complete list and description of composites, which is available upon request.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee returns for all years were updated to reflect the appropriate highest fee for each year. Net of fee performance was calculated using the highest fee applicable annual management fee of 1.00% applied quarterly. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite the entire year. Beginning April 1, 2006, SIA calculates a true Time Weighted Return (TWR) for each portfolio within the composite and asset weights their returns to come up with a composite return. Periods are geometrically linked together. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite is 0.75% on the first \$10 million, 0.70% on the next \$10 million, 0.65% on the next \$10 million, 0.60% on the next \$10 million, 0.55% on the next \$10 million, and negotiable on the amounts over \$50 million. Actual investment advisory fees incurred by clients may vary.

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

Past performance is not indicative of future results.

Investing involves risk; principal loss is possible. There is no guarantee the Composite's investment objectives will be achieved, and the market value of securities held by the Composite may fall or fail to rise.

**Weighted Average Market Cap** is the average market capitalization of companies held by the Fund, weighted in proportion to their percentage of the Fund's net assets. **Beta** is a measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile.